



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES GRAND AVENUE AUTHORITY
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 374-A
LOS ANGELES, CALIFORNIA 90012**



Monday, April 27, 2015

10:00 AM

AUDIO LINK FOR THE ENTIRE MEETING. (15-1943)

Attachments: [AUDIO](#)

Present: Chair Hilda L. Solis, Secretary Sachi A. Hamai, Director Steve Valenzuela and Vice Chair José Huizar arrived after roll call.

I. ADMINISTRATIVE MATTERS

1. Call to Order. (15-1834)

Chair Solis called to order the sixty-fifth meeting of the Los Angeles Grand Avenue Authority at 10:02 a.m., with a quorum of members present.

2. Approval of the March 13, 2015 special meeting minutes. (15-1835)

On motion of Director Valenzuela, seconded by Secretary Hamai, this item was approved.

II. PRESENTATIONS

3. Presentation on Retail/Restaurant Concepts/Update on Outreach to Potential Equity Investors/Status of Parcel Q - Stephen Eimer. (15-1836)

Stephen Eimer, Grand Avenue L.A., LLC, provided an update on Parcel Q on the retail, restaurant and hotel concept. Mr. Eimer indicated that the proposed hotel operator is an Equinox branded hotel. Equinox is a nationally recognized brand of health clubs and fitness club/spa operator which is moving into the hospitality business at sites in New York and Los Angeles.

Mr. Eimer confirmed that the Grand Avenue Project will be the first Equinox branded hotel on the west coast. Chair Solis requested information on the Hudson Yards development in New York. Hudson Yards is located on the west side of Manhattan in New York and is currently under construction with an Equinox hotel. The mixed use project will feature office, retail, hotel, residential and food space. Hudson Yards is approximately 16 million square feet and the anticipated opening date for the hotel is in 2019.

Director Valenzuela asked about Equinox's relationship with Related. Mr. Eimer confirmed that Equinox is an affiliate of Related and Related would be a significant investor in Equinox's expansion into the hospitality sector.

Chair Solis requested Related provide information regarding the financial relationship between Related and Equinox at a future meeting. Chair Solis expressed concern regarding design of public access to the Grand Avenue site. Mr. Eimer indicated that Related envisions the area to be open and inviting to the public with access provided by escalators and elevators, and would include entrances for those who utilize public transportation. Mr. Eimer stated it is their intention to create an inviting and diverse project with a mix of high end and affordable retailers, with broad price points.

Mr. Eimer reviewed the marketing materials for the food/beverage and retail aspects of the project. Mr. Eimer indicated that a highly experienced leasing and marketing team is currently working with all the principals of key retailers in the food and beverage industries with the goal to incorporate global and local brands.

Mr. Eimer provided an update on the Equity raise for the project. Mr. Eimer indicated that Macquarie Financial Advisors has been retained by Related to help raise \$250 to 300 million of equity for the project. Related and Macquarie have presented the investment offering to over 50 large investors and several entities have expressed interest. Related will continue to do their due diligence and narrow the list within 30-45 days.

4. Status Update by Grand Avenue L.A., LLC on The Emerson (Parcel M apartments) - Bea Hsu. (15-1837)

Bea Hsu, Grand Ave LA, LLC, provided an overview of the Phase II-B project on Parcel M, a 217-unit residential development also known as The Emerson. Ms. Hsu reported that The Emerson has been completed, and the affordable units are 100% occupied, while 40% of the market rate units are occupied. The retail space is in process of being leased; and the new Italian food restaurant at street level is scheduled to open next month.

Ms. Hsu provided information regarding the next steps for the bifurcation of the ground lease of The Emerson due to the different ownership entities for the affordable housing and the market rate components.

Vice Chair Huizar asked about the demand for the affordable units. Ms. Hsu confirmed that they received approximately 8,000 applications for 55 units.

Chair Solis inquired about the rent level for the affordable units, market rate units and the type of allocation method that was used to lease the affordable units. Ms. Hsu confirmed that monthly rents for the affordable units ranged from \$581.00 for studio apartments and \$993.00 for two bedroom apartments. The market rate units varied, with the average rent at \$4.00/ sq. ft. Ms. Hsu confirmed that both an eligibility and lottery system were utilized as allocation methods for the affordable units.

III. CLOSED SESSION

5. **NOTICE OF CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8**

Property: Parcel Q (Assessor Parcel No. MB 5149-10-949) of the Bunker Hill Urban Renewal Project Area and the Grand Park parcels

JPA Real Property Negotiators: Bradford Bolger, Christine Frias, Richard Volpert, Peter Hong, Ben Polk, Cindy Chen, Gerry Hertzberg, Thomas Webber, Paul Rutter, Diane Hvolka

Negotiating Parties: Grand Avenue L.A., LLC

Under Negotiation: Price and Terms of Payment. (15-1838)

This item was taken off the agenda and there was no closed session.

IV. MISCELLANEOUS

6. Discussion of Future Agenda Items - Bradford Bolger. (15-1839)

Director Valenzuela requested a status update regarding the hotel transit occupancy tax rebate agreement between the Developer and the City of Los Angeles.

Chair Solis requested further information on the Developer's marketing efforts to retailers, and how transportation and public access will be addressed in the Project.

7. Date of Next Regular Meeting scheduled for June 22, 2015 - Bradford Bolger. (15-1840)

Bradford Bolger, Senior Manager, CEO Capital Programs, indicated that the next regular meeting date scheduled for May 25, 2015, falls on the Memorial Day Holiday, and will be rescheduled for June 22, 2015.

8. Public Comment. (15-1841)

No members of the public addressed the Authority Board.

9. Adjournment. (15-1842)

There being no further business to discuss, Chair Solis adjourned the meeting at 10:32 a.m.